



2004 Annual Report of the Environmental Finance Center Network

Region 4 – EFC at University of Louisville

The University of Louisville is one of two EFCs serving EPA's Region 4 states of Kentucky, Tennessee, Mississippi, Alabama, Florida, Georgia, South Carolina, and North Carolina

INTRODUCTION

The Louisville EFC continued to broaden its training and technical assistance services relating to brownfield regeneration and planning for more environmentally and economically efficient market-driven human occupation in 2004. In addition to expanding its Practice Guides series of briefing papers for local officials and local volunteer and citizen committee members, the Center hosted an

international conference on planning for urban sustainability from which it is preparing a series of papers for dissemination.

The EFC continued its direct technical assistance with respect to contaminated land revitalization, working with a number of different cities on brownfield redevelopment, smart growth planning for area development agencies, and municipalities and states on the roles environmental insurance can play in mitigating risks and attracting investments in reclamation. The EFC also provided input to EPA's Environmental Financial Advisory Board as it addressed RCRA financial assurance and ways of providing greater certainty over firms' financial capacity to remediate after completing ongoing operations.

ACCOMPLISHMENTS

Among major activities of the EFC in 2004 was hosting the Sixth Symposium of the International Urban Planning and Environment Association in September. In addition, the EFC continued to expand its *Practice Guide* series, and to provide technical assistance and training services in addition to producing other written materials for practitioners.

International Conference on Local Sustainable Development Efforts

The 6th International Symposium of the International Urban Planning and the Environment Association (IUPEA) was initiated by the EFC in 2003. The Symposium was held in Louisville, September, 4-8, 2004, with the overall theme of *Global Pressures on Local Autonomy: Challenges to Urban Planning for Sustainability and Development*.

In addition to the EFC and EPA Region 4, the symposium was hosted by

- University of Louisville College of Business and Public Administration
- University of Louisville Center for Environmental Policy and Management
- Louisville Metro Government
- Federal Reserve Bank of Saint Louis

Supporters included

- Ministry of the Environment, the Netherlands
- Kentucky Chapter of the American Planning Association
- Riverfields, an Ohio River conservancy

- University of Cincinnati, School of Planning
- Bluegrass Tomorrow

Plenary speakers from outside the University of Louisville included:

- A. Stanley Meiburg, Deputy Regional Administrator, Region 4, US EPA
- Donald Mains, Deputy Assistant Secretary for Economic Development, US HUD
- Edward Gramlich, Member, Board of Governors, US Federal Reserve System
- Joan Riehm, Deputy Mayor, Louisville Metro Government
- Raquel Pinderhughes, Professor of Urban Policy, San Francisco State Univ.
- James Throgmorton, Professor of Urban and Regional Planning, Univ. of Iowa

The symposium attracted 213 attendees, including both public officials and academic researchers, representing 23 different countries who presented and discussed 78 papers based on their research and practice experience.

Field trips to examine inter-state cooperation in Ohio River preservation, sprawl management around Lexington, KY, and inner city redevelopment in Louisville, KY were included in the program, as was a focus group session on planning for compliance with the new PM 2.5 air quality requirements that brought international insights to bear on the policy options facing the Jefferson County (KY) Air Pollution Control District.

Practice Guides and Working Papers

The Louisville EFC's Practice Guide series is focused on aspects of land use planning and information systems for promotion of urban infill, brownfield redevelopment and other aspects of smarter urban growth. The series development is ongoing, and is specifically structured to take advantage of efforts conducted under other auspices by Center personnel. (Authorships below identify EFC Staff in **bold** and EFC Associates in parentheses)

Practice Guides Completed in 2004 and Available On-Line

"Greyfields" -- The New Horizons for Infill and Higher Density Regeneration
by K.M. Chilton

C&D Debris Recycling for Environmental Protection and Economic Development by N.G. Leigh and L. Patterson

Practice Guides Initiated before 2004 but still not completed

Financing Local Public Infrastructure: Determining an Effective Revenue Stream that Supports Local Projects (S. Coffin)

Developing New Uses for Low-to-no-Market Brownfields: The Affordable housing Solution (S. Coffin)

Working Papers Posted On-Line

The Brownfields Phenomenon: Much Ado about Something or the Timing of the Shrewd?" by K. Wernsted, A. Alberini, **L. Heberle**, and **P.B. Meyer**.

The Center has also provided direct technical assistance services to clients in Region 4 and elsewhere, and contributed to providing training and technical assistance through a range of other publications and presentations. These dissemination products have drawn on information collection through EFC funding, but, in most instances, also have drawn from or built on data gathered and research conducted by Center Staff and Associates. Publications span professional journals, trade press and academic outlets, since all influence policy discussions and can contribute to more effective and cost-efficient environmental finance practice.

While some formally funded activities are listed below, the range of research endeavor that has contributed to the Center's productivity includes extensive efforts funded internally as part of university commitments of faculty time to the practical application of research. The apparent leverage of the EFC funding, therefore, significantly understates its real stimulus on related activity if only the externally supported work is included.

Technical Assistance/Training Services Provided

EFC staffer **K. Cairns** served on the Board of the Kentucky Pollution Prevention Center, continuing her term as the governor's appointee.

EFC Director **P.B. Meyer** provided assistance to efforts at University of Illinois – Urbana-Champaign on the use of Tax Increment Financing to facilitate regeneration of Great Lake shorefront brownfields. Provided guidance on resource documents and feasibility analysis to planners at that university.

EFC Director **P.B. Meyer** provided information to the Mississippi Department of Environmental Quality on reuse options for the Vicksburg Chemical facility.

EFC Director **P.B. Meyer** participated and provided briefings in Regions 2, 8 and 10 on public sector utilization of environmental insurance both to protect government fiscal policy and to encourage private sector investment on previously contaminated sites in OSWER's Office of Brownfields Cleanup and Redevelopment Workshops on Environmental Insurance for Regulators. The briefings were conducted for Region 8, in Denver, CO, in April; for Region 10, in San Francisco, CA, in June; and for Region 2 in New York in December.

EFC Director **P.B. Meyer** and **C. Norton**, EFC Planner, both attended EPA's Brownfields 2004 meeting in St. Louis in September. Dr. Meyer organized and moderated a session on private developers' valuations of different incentives intended to attract them to brownfields, "*ULI Developer-Members Tell Us What It Takes to Attract Them to Brownfields.*" Panel members included private developers and state officials. Both EFC representatives participated actively in a brownfields transaction forum to learn more about the operations and concerns of public sector agencies attempting to sell brownfields, and redevelopers looking for new investment opportunities.

New Print Publications

EFC Director **P.B. Meyer**, K. Wernstedt and A Alberini. "*Practice Note: Brownfield Redevelopment.*" Urban Land, July, pp. 28-31.

Externally-Funded Research Projects Involving EFC Personnel

The EFC at Louisville is imbedded in the University's Center for Environmental Policy and Management (CEPM). Many of the EFC personnel also work part-time on other projects in CEPM, tying their technical assistance and training functions in the EFC to related projects supported with other funds. These projects include:

Urban Regeneration through Environmental Remediation: Valuing Market-Based Incentives for Brownfields Development. Continued work on this study for EPA and the National Center for Environmental Research with Resources for the Future and the University of Maryland, initiated May 1, 2002. This study looks explicitly at what public center incentives are most likely to attract developers to undertake projects on brownfield sites, providing data for more cost-effective redevelopment subsidy practices by both state and local governments. Findings

from this study were part of the dissemination and training activities of the EFC in 2004.

Expediting the Environmental Insurance Purchasing Process. Continued work on a study for EPA's OSWER Office of Brownfields Cleanup and Redevelopment with Northern Kentucky University (NKU), initiated October 1, 2002. This study involves following three local governments (one each in Regions 4, 5, and 6), as they attempt to learn about, and work their way through, the complexities of acquiring environmental insurance in conjunction with pursuing their redevelopment efforts involving contaminated land. The cases will then be used to provide guidance on how to expedite the process. The EFC provided technical assistance to the local governments the case study cities to facilitate their efforts.

Accelerating Brownfields Cleanup and Redevelopment with Innovative Uses of Environmental Insurance. New five year program of research and technical assistance for EPA's OSWER Office of Brownfields Cleanup and Redevelopment with NKU, initiated October 1, 2003. This project involves updating information on available insurance products applicable to redevelopment of contaminated sites, monitoring state efforts to ease access to environmental insurance, investigating the potential for pooling certain types of small brownfield sites such as old gas stations to provide access to insurance, promoting an area-based approach in revitalization efforts, and otherwise promoting infill through new risk management approaches that ease access to capital.

INITIATIVES FOR 2005

The new initiatives launched by the Louisville EFC in 2004 represent efforts to build on the foundation already laid. As noted above, complementary research efforts were undertaken during the year. Those efforts should contribute to technical assistance and training products in 2004 and beyond. Work on new Practice Guides, intended for release in 2005, was initiated. EFC personnel also prepared other publications, both in print and on-line.

Practice Guides Developed in 2004 now in Preparation for On-Line Posting

Contaminated Properties: A Community Guide to Federal Regulations and Programs by **S. Hollis** and **S. Opp**

Initiating a Local Brownfields Programs: Outcomes Depend on Where you Place It
by **S. Opp**

New Dissemination Efforts

L. Heberle, with S. Coffin from St. Louis University and D. Bates of the College of New Jersey, is preparing a paper on “*Property Rights, the American Dream, and Communist Urban Outsiders: Constructing the Anti-Smart Growth Message*” for the Urban Affairs Association meetings in Salt Lake City, UT, in April.

C. Norton is preparing a paper on “*Brownfields outside the box: Off-site impacts and the returns to local remediation subsidies*” for the Urban Affairs Association meetings in Salt Lake City, UT, in April.

L. Heberle and **P.B.Meyer** are preparing a paper on on “*Public-Private Partnership Problems: Mismatche Public and Private Sector Perceptions of the Brownfield Issue and the Effects on Redevelopment Policy*” for the Urban Affairs Association meetings in Salt Lake City, UT, in April.

K. Cairns is preparing a paper on “*The Long and Rocky Road: A Case Study of Public Involvement and Participatory Planning in Environmental Justice Policy Issues*” for the Urban Affairs Association meetings in Salt Lake City, UT, in April.

New Participation in EFAB Task Forces

The EFC continued work on financial assurance requirements under RCRA regulations in order to examine some issues associated with adding a new financial obligation for potentially polluting small businesses and assigned a new University-supplied graduate research assistant, Susan Opp, to collect additional information and develop possible policy options. Specific involvements included:

- Work with the HQ Environmental Finance Team and Region 4 Deputy Administrator Stan Meiburg, who is also the Designated Federal Official for the EFAB, on scheduling speakers and preparing content plans for a workshop on financial assurance and insurance for June, 2004.
- Attended and participated in the workshop on financial assurance and insurance, New York, NY, June 14-15.

- Worked on follow-ups to the workshop and on defining some of the next steps for the EFAB Workgroup.

Print Publications in Process

L. Heberle and **K. Wernstedt**. “*Revaluing Brownfield Redevelopment Incentives: Public Sector perceptions of the redevelopment process.*” Submitted to *Economic Development Quarterly*; article currently in revision.

L. Heberle submitted “*Contesting Social Capital: Definition and Measurement Issues Continue*,” an article addressing the ways in which misunderstandings about the concept of “social capital” can confuse and undermine communities’ capacities to plan for themselves and defend their physical and social environments, to the *Journal of Urban Affairs*.

T. Lambert and **P.B. Meyer** “*Is Sprawl to Blame for Slower EMS Response Rates?*” Submitted to *Regional Science and Urban Economics*.

K. Wernstedt, **P.B. Meyer**, **A. Alberini** and **L. Heberle** “*Incentives for Private Infill Development in U.S. Urban Areas*” Submitted to the *Journal of Environmental Planning and Management*.

P.B. Meyer prepared a sidebar commentary on the Atlantic Station project for the Winter 2004-5 issue of the *Partners* newsletter of the Community Affairs Department of Federal Reserve Bank of Atlanta.

L. Ye., **S. Mandpe**, and **P.B. Meyer**. “*What IS Smart Growth? – Really?*” Accepted by the *Journal of Planning Literature*; forthcoming February, 2005.

Initiatives for 2005 undertaken by the EFC in 2004 included planning for a number of new Practice Guides intended to take advantage of information garnered in the course of data collection during the year. A number of other potential publications were prepared and submitted for review. Training and technical assistance provision for 2004 was not scheduled in 2003, largely because such activity is generally late early in the calendar year, and the efforts generally have substantial lead times.

Practice Guides Initiated in 2004 and Awaiting Completion in 2005

Low Population Density and Emergency Response: Accepting Delays or Higher Service Costs by **P.B. Meyer** and T. Lambert

Historic Preservation and Brownfield Redevelopment – Not Conflicting, but Complementary by **C. Norton**

Alternative Financing for Brownfield Redevelopment – Possibilities and Implementation Examples by **S. Opp**

Citizen Participation and Project Cost – the Costs and Benefits of Openness and Community Involvement by **K. Cairns**

Working Papers in Process

All conference papers presented in 2004 and in process for Spring 2005 presentation are being prepared for inclusion in the Working Papers series by Summer 2005.

New Research Activities

Collaboration with Dr. Thomas Lyons of the School of Urban and Public Affairs, University of Louisville, on a project to examine “*Entrepreneurship Opportunities and Responses in the Brownfield Redevelopment Arena – Factors Affecting Capacity to Capitalize on Opportunities in an Emerging Marketplace*” through examination of developers who have pursued contaminated land redevelopment under state voluntary cleanup programs in Region 4 and other states.

- Support in the form of internal University funds and the services of a graduate assistant for the 2004-5 academic year will permit this project to proceed, starting in August, 2004.

Collaboration with Dr. David Simpson of the School of Urban and Public Affairs, University of Louisville, on a project on “*Understanding Risk and Hazardous Materials and Wastes: Perception and Reality in the Conceptualization of Risk at the Community Level*” with a national survey of local government risk management officials to see if they understand the environmental risks they face (from floods, hurricanes, etc.) that are associated with sites with untreated pollution or residual contamination associated with RBCA-based remediations.

- Pre-proposal submitted to the Public Entity Risk Institute (PERI) and received positively. University commitment of needed matching funds obtained. Full proposal for review by PERI board is planned to be prepared early in 2005.

Finalized negotiations with the Development, Community and Environment Division of the EPA Office of Policy, Economics and Innovation for a competitively awarded study of "*Smart Growth Policies That Spur Brownfields Revitalization*." Publication of a four color glossy report for mass public distribution is planned for late 2005.

SPECIAL PROJECTS

In addition to its main information generation/dissemination activities with respect to environmental finance and planning for the uses of land in and around urban areas, the Louisville EFC undertook or launched the following special projects in 2004 that are not described above:

- Completed process work on, and have initiated support for implementation of the recommendations from, a US Department of Education – funded environmental education and management project, "*Partnerships for a Green City*." The planning effort involved the University of Louisville, Jefferson County (KY) Public Schools and Louisville Metro Government in a problem-solving and project-planning collaborative consultation to:
 - Develop recommendations for a comprehensive environmental education program for JCPS and the community;
 - Identify research areas that assess children's exposure to environmental pollutants, health outcomes, and impacts on cognitive abilities and behavior; and,
 - Identify approaches for the partners to create sustainable and environmentally friendly buildings and infrastructure (e.g. schools, public buildings, roads, water systems).

The EFC will support and provide technical assistance support to their implementation going forward into 2005.

EFC COLLABORATIVE ACTIVITIES SUMMARY

As an active member of the Environmental Finance Centers Network, the Louisville EFC participated in the preparation of proposals for funding of different network-wide environmental finance projects. The Center also initiated efforts at the preparation of a collaborative network project on aspects of environmental finance for brownfield redevelopment, drawing on the collective experience of different centers across the nation. Dr. Peter Meyer, EFC Director, continued in his role as an officer of the Environmental Finance Center Network (EFCN), becoming President at the March Directors meeting in Washington, DC, and attending meetings with EFCN colleagues following the EFAB Summer meeting in San Francisco (August).

The EFC participated in two EFCN collaborative proposals in 2004:

- “*USDA Technical Assistance and Training program (USDA TAT)*.” The proposal involves supporting the improvement of small rural areas’ community capacity to plan for and finance improvements in their drinking water systems. EFC4@UofL intends to be a sub-grantee to the PI, the Region 2 (Syracuse) EFC, with a KY budget of \$80,000.
- “*Financing and Water/Wastewater System Security*.” Proposal submitted by the New Mexico EFC on behalf of the EFC Network at the request of the EPA Office of Water to address the financial and risk management decision-making process appropriate to consideration of spending on protecting water systems from any form of terrorist attack. The University of Louisville EFC role will be to take the lead in preparing a *Financial Guide to Water and Wastewater System Security*, for use in training operators of small water systems in appropriate decision processes for allocating their security resources, for a \$50,000 share of the project budget.

PRESENTATIONS, CONFERENCES AND MEETINGS

Presentations, whether to academics active in providing policy advice or to practitioners engaged in policy formulation and implementation, are frequently the most immediate and rapid means of communicating new findings and knowledge to improve practice. Moreover, participation in conferences in which information is exchanged constitutes one method by which the Center staff acquires new information and case study data that contribute to our guidance dissemination. The Louisville EFC thus takes care to maintain a high level of activity in this key information dissemination arena. Presentations to academic gatherings are limited

to those organizations whose attendees have strong interest in, and thus study and report on, public policy practices that can inform environmental finance policies and procedures. International conferences are exceptionally valuable in this regard, since they offer ideas for innovation that are not available in a purely US exchange. The Center's presentation activities in 2004 included the following, all of which facilitated conference participation and information acquisition by the staff involved.

- **Dr. Heberle** organized and presented at a colloquy on sprawl for Urban Affairs Association Annual Conference, Washington, DC, in March: *"Sprawl and Suburbia: What Are They, And How Do We Measure Them?"*
- **Dr. Meyer** organizing and presented at a colloquy on brownfields, *"Brownfield Reclamation - Community, not just Economic, Development,"* at the Urban Affairs Association Annual Conference in March in Washington, DC.
- **Dr. Meyer** participated in a panel on environmental financing and conservation at the Soil Conservation Society meetings in New York in July
- **Dr. Heberle** attended the American Sociological Association meetings and presented a paper on social capital and community capacity for constructive response to environmental and socio-economic change in San Francisco in August.
- **Dr. Cairns** presented *"Education into Citizenship: Environmental Education, Participatory Democracy, and the Precautionary Principle"* at the International Urban Planning and the Environment Association (IUPEA) conference in Louisville in September.
- **Dr. Meyer**, with Dr. K. Wernstedt of Resources for the Future, completed a paper on *"Developers' Ratings of Different Incentives for Infill Projects"* for presentation at the Association of Collegiate Schools of Planning meetings in Portland, OR, in October.
- While on a research trip in Great Britain in November (not funded by the EFC), Dr. Meyer presented EFC-related papers to academic and practitioner audiences at three UK universities:

-- *"Recent Environmental and Site Regeneration Policy in the United States General Business Considerations and Property Developers' Responses to Incentives."* European Regional Business & Economic Development Unit, Leeds Metropolitan Univ.

-- *“Comparing Urban Regeneration Approaches – US vs. UK (New York West Side vs. Thames Gateway as an example).”* Department of Urban Development and Regeneration, School of Architecture and the Built Environment, Univ. of Westminster, London.

-- *“Developers and Investment Incentives – What is reduced uncertainty REALLY worth to real estate investors?”* Oxford Institute for Sustainable Development, School of the Built Environment, Oxford Brooks University.